

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 12644 01 OF 02 171313Z

50

ACTION EUR-12

INFO OCT-01 EA-06 IO-10 ISO-00 XMB-02 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 NEA-10 NSAE-00

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

L-02 FAA-00 DOTE-00 STR-04 ACDA-05 NSC-05 NRC-05

OES-03 FEA-01 /101 W

----- 078750

R 171259Z MAY 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 7106

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION EC BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 12644 01 OF 02 171313Z

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 12644

PASS TREASURY FOR CANNER
PASS EXIMBANK FOR GIANTURCO

E.O. 11652: N/A

TAGS: ETRD, OECD

SUBJECT: MEETING OF EXPORT CREDITS GROUP MAY 15

1. SUMMARY: AFTER HEARING REPORT OF LIMITED PROGRESS ON GENTLEMAN'S AGREEMENT AND FINDING NO CHANGE IN POSITIONS OF VARIOUS COUNTRIES ON ADOPTION OF OECD AGREEMENTS ON LOCAL COSTS AND SECTORS, MEMBERS OF EXPORT CREDIT GROUP AGREED TO ADOPT, AD REFERENDUM, SERIES OF INFORMAL DECLARATIONS ON INTERIM APPLICATION OF TERMS OF LOCAL COST STANDARD AND ON STANDSTILL ON CREDIT PRACTICES IN AIRCRAFT AND NUCLEAR POWER SECTORS. GROUP ALSO ADOPTED NOTIFICATION SYSTEM FOR CHANGES IN EXPORT CREDIT SYSTEMS AND AGREED TO PUT THIS ON AGENDA FOR EACH MEETING. ACTION REQUESTED: CONFIRMATION THAT US WILLING TO SUBSCRIBE TO INFORMAL DECLARATIONS BY MAY 23. END SUMMARY

2. GENTLEMAN'S AGREEMENT: BELGIAN DEL PRESENTED SUMMARY OF RESULTS OF BRUSSELS TALKS AND OUTLINED KEY ISSUES OUTSTANDING. NO COMMENTS WERE MADE BY OTHER DELS.

3. LOCAL COSTS: EC COMMISSION (ARCHIBALD) SAID EC STILL NOT IN POSITION TO IMPLEMENT DRAFT LOCAL COST STANDARD, ALTHOUGH IT HOPED QUESTION WOULD BE SETTLED BY COUNCIL OF FOREIGN OR FINANCE MINISTERS IN NEAR FUTURE. (PRIVATELY MRS. ARCHIBALD TOLD US DEL THAT SHE THOUGHT COMMISSION WOULD HAVE TO GO TO COURT, BUT THAT THEY EXPECTED TO BE ABLE TO GET DECISION IN ONLY COUPLE MONTHS TIME, AND THUS MIGHT BE ABLE TO IMPLEMENT AT END OF SUMMER. ON OTHER HARD FRENCH REP, REMOND, OPINED THAT SAME INTERNAL EC DIFFICULTIES WOULD MEAN THAT NO FORMAL AGREEMENT IN AIRCRAFT SECTOR WOULD BE POSSIBLE FOR SEVERAL YEARS.) US DEL PROPOSED THAT MEMBERS OF GROUP DECLARE INFORMALLY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 12644 01 OF 02 171313Z

THEIR INTENTION TO APPLY LOCAL COST STANDARD AS AN INTERIM MEASURE, AND RECEIVED UNANIMOUS SUPPORT. ALTHOUGH EC REQUIRED CONSIDERABLE CAUCUSSING TO AGREE ON LANGUAGE WHICH DID NOT COMPROMISE INTERESTS OF MEMBER STATES OR COMMISSION, ECG WAS ABLE TO AGREE ON TEXT OF AD REFERENDUM DECLARATION (BEING TRANSMITTED IN SEPTTEL) BY END OF MEETING. CONFIRMATION OF ACCEPTANCE BY ECG MEMBERS IS REQUESTED BY MAY 23.

4. NUCLEAR POWER PLANTS: AFTER US AND GERMAN DELS INDICATED NO CHANGE IN THEIR POSITIONS ON LENGTH OF CREDIT TERMS, US DEL SUGGESTED POSSIBILITY OF INFORMAL STANDSTILL DECLARATION ON PRESENT CREDIT PRACTICES. AFTER LENGTHY DEBATE GROUP AGREED ON DECLARATION (TEXT TRANSMITTED SEPTTEL), BUT EC (IRISH DEL ACTING AS SPOKESMAN) SAID ITS ACCEPTANCE WOULD BE CONDITIONAL ON ACCEPTANCE BY OTHER DELS OF SIMILAR DECLARATION FOR AIRCRAFT SECTOR. ALTHOUGH US DEL ARGUED FORCEFULLY THAT THIS SORT OF CONDITION WOULD SET BAD PRECEDENT AND THAT ONE DECLARATION WAS BETTER THAN NONE, EC STUCK TO POSITION CLAIMING EQUAL TREATMENT OF TWO SECTORS NEEDED TO PRESERVE "BALANCE". TERMS OF DECLARATION INCLUDE STATEMENT OF BEST EFFORTS TO REACH FORMAL SECTORAL AGREEMENT IN SHORTEST POSSIBLE TIME, UNDERTAKING NOT TO GRANT SOFTER TERMS THAN THEIR CURRENT PRACTICE, AND 30 DAYS PRIOR NOTIFICATION TO GROUP IF MEMBER WISHES TO WITHDRAW DECLARATION. ENTRY IN MINUTES WILL INDICATE MOST GENEROUS TERMS CURRENTLY

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 12644 02 OF 02 171315Z

50

ACTION EUR-12

INFO OCT-01 EA-06 IO-10 ISO-00 XMB-02 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 NEA-10 NSAE-00

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01

L-02 FAA-00 DOTE-00 FEA-01 ACDA-05 NSC-05 NRC-05

OES-03 STR-04 /101 W

----- 078851

R 171259Z MAY 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 7107

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CANBERRA
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY HELSINKI
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY REYKJAVIK
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
USMISSION EC BRUSSELS
USMISSION GENEVA
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 12644 02 OF 02 171315Z

LIMITED OFFICIAL USE SECTION 02 OF 02 OECD PARIS 12644

BEING OFFERED BY ANY MEMBER OF GROUP.

5. AIRCRAFT: FRENCH PROPOSED CEILING OF 12 YEARS FOR BOTH CREDIT AND LEASING SALES, WHICH US DEL REJECTED, ALONG WITH PRICE BREAK PROPOSED AT LAST ECG MEETING. US ALSO INDICATED IT STILL HAD CERTAIN PROBLEMS WITH CLASSIFICATION OF FRENCH AIRCRAFT. GROUP THEN AGREED AD REFERENDUM TO DECLARATION (TEXT TRANSMITTED SEPTEL) ANALOGOUS TO THAT AGREED FOR NUCLEAR POWER STATIONS. MINUTES WILL CONTAIN RESERVATIONS BY CANADA AND FRANCE COVERING AIRCRAFT NOT IN PRODUCTION. US, FRENCH, AND JAPAN ALSO INDICATED WILLINGNESS TO CONSULT BILATERALLY BEFORE NEXT MEETING TO RESOLVE OUTSTANDING CLASSIFICATION DIFFERENCES. CONFIRMATION OF ACCEPTANCE OF SECTOR DECLARATIONS IS REQUESTED BY MAY 23.

6. DESCRIPTIONS OF FINANCING SYSTEMS (TC/ECG/75.6):
CHAIRMAN SUGGESTED DELS AGREE TO NOTIFY SIGNIFICANT CHANGES IN SYSTEMS ON CONTINUING BASIS AND THAT THIS SHOULD BE AGENDA ITEM AT EACH MEETING. IDEA RECEIVED

BROAD SUPPORT IN GROUP AND WAS ADOPTED. (MISSION COMMENT: IN OUR VIEW THIS MARKS IMPORTANT STEP IN ESTABLISHING MECHANISM FOR PERIODIC SCRUTINY OF MEMBERS' FINANCING SYSTEMS AND POSSIBILITY FOR CONSULTING ON CHANGES WHICH MEMBERS CONSIDER ADVERSELY AFFECT THEIR INTERESTS.)

7. COMPARATIVE STUDY OF INTEREST RATE PRACTICES (TC/ECG/75.5): DISCUSSION WAS PUT OFF TO FALL MEETING.

8. ROLE AND TERMS OF EXPORT CREDITS BY DESTINATION (TC/ECG/75.4): CHAIRMAN RECALLED THAT STUDY HAD BEEN MADE ON BASIS OF MANDATE FROM TRADE COMMITTEE AND PROPOSED MEETING OF EXPERTS TO CHECK DATA AND DRAFT TENTATIVE CONCLUSIONS FOR REPORT TO TC. GROUP AGREED TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 12644 02 OF 02 171315Z

SCHEDULE MEETING FOR JULY 7-8 AND ALSO TO PROVIDE DATA FOR 1974.

9. OTHER BUSINESS: GROUP HEARD REPORTS FROM DAC SECRETARIAT ON DAC CONSIDERATION OF ECG REPORT ON EXPORT CREDITS AND THE INDEBTEDNESS OF LDC'S AND ON UNCTAD WORK BEING DONE ON EXPORT FINANCING SYSTEMS FOR LDC'S.

10. ELECTIONS: GEBERTH (FRG) WAS REELECTED AS CHAIRMAN OF ECG AND SWARD (SWEDEN) AS VICE CHAIRMAN.

11. FUTURE MEETINGS: IN ADDITION TO JULY 7-8 MEETING OF EXPERTS NOTED IN PARA 8, GROUP AGREED ON OCTOBER 23-24 FOR ITS OWN NEXT MEETING AND (TENTATIVELY) ON MAY 12-13 FOR ITS SPRING 1976 MEETING.

KATZ

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, MEETING REPORTS, EXPORT CONTROLS, EXPORT CREDIT GUARANTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OECDP12644
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750174-0496
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750541/aaaabkpz.tel
Line Count: 261
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2003 by ElyME>; APPROVED <07 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MEETING OF EXPORT CREDITS GROUP MAY 15
TAGS: ETRD, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006